

COMMISSIONERS
DOUG LITTLE - Chairman
BOB STUMP
BOB BURNS
TOM FORESE
ANDY JOBIN

OPEN MEETING ITEM



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EXECUTIVE DIRECTOR

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AZ CORP COMMISSION
DOCKET CONTROL

ARIZONA CORPORATION COMMISSION

DATE: APRIL 14, 2016
DOCKET NOS.: WS-04245A-07-0363

TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Scott Hesla. The recommendation has been filed in the form of an Order on:

RED ROCK UTILITIES, LLC
(CC&N/ EXTENSION OF TIME DEADLINE IN DECISION NOS. 70030, 71226, 72532, AND 74392)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by 4:00 p.m. on or before:

APRIL 25, 2016

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

MAY 3, 2016 AND MAY 4, 2016

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602) 542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

Arizona Corporation Commission

DOCKETED

APR 14 2016

DOCKETED BY	
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JODI A. JERICH
EXECUTIVE DIRECTOR

1200 WEST WASHINGTON STREET, PHOENIX, ARIZONA 85007-2927 / 400 WEST CONGRESS STREET, TUCSON, ARIZONA 85701-1347

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This document is available in alternative formats by contacting Shaylin Bernal, ADA Coordinator, voice phone number 602-542-3931, E-mail SABernal@azcc.gov.

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 DOUG LITTLE – Chairman
4 BOB STUMP
5 BOB BURNS
6 TOM FORESE
7 ANDY TOBIN

8 IN THE MATTER OF THE APPLICATION OF RED
9 ROCK UTILITIES, LLC FOR A CERTIFICATE OF
10 CONVENIENCE AND NECESSITY TO PROVIDE
11 WATER SERVICE IN PIMA COUNTY, ARIZONA

DOCKET NO. WS-04245A-07-0363

DECISION NO. _____

ORDER EXTENDING TIME
DEADLINE IN DECISION NOS.
70030, 71226, 72532, AND 74392

11 Open Meeting
12 May 3 and 4, 2016
13 Phoenix, Arizona

13 **BY THE COMMISSION:**

14 * * * * *

15 Having considered the entire record herein and being fully advised in the premises, the Arizona
16 Corporation Commission (“Commission”) finds, concludes, and orders that:

17 **FINDINGS OF FACT**

18 1. In Decision No. 70030 (December 4, 2007), the Commission approved the application
19 of Red Rock Utilities, LLC (“Red Rock” or “Company”) for a Certificate of Convenience and
20 Necessity (“CC&N”) to provide public water service in Pima County, Arizona.

21 2. As part of Decision No. 70030, the Commission ordered Red Rock to file, within 24
22 months of the effective date of that Decision, a copy of the Approval to Construct (“ATC”) the water
23 system facilities needed to serve Phase I of the Verano Master Planned Community (“Verano”) from
24 the Arizona Department of Environmental Quality (“ADEQ”).¹

25 3. Based on the effective date of Decision No. 70030, the original deadline for complying
26 with the requirement to file the ATC for Phase I was December 4, 2009.

27
28 ¹ The Pima County Department of Environmental Quality is functioning as the delegate of ADEQ.

4. Decision No. 71226 (August 6, 2009) subsequently extended the December 4, 2009 due date to December 4, 2011, Decision No. 72532 (August 17, 2011) extended the due date until December 4, 2013, and Decision No. 74392 (March 19, 2014) further extended the due date until December 4, 2015.

5. On August 24, 2015, the Company filed a Motion for Further Extension of Compliance Filing Date Deadline (“Motion”) requesting that the deadline for filing the ATC for the remaining water system facilities needed to serve Phase I be extended from December 4, 2015, to December 4, 2017. According to the Company, the financial crisis of 2008 and the related and subsequent prolonged recession in Arizona have precluded the developer (South Wilmot Land Investors, LLC, or “SWLI”) from implementing the original timeline for the development of Verano. The Company attached to its Motion a letter from the developer reiterating SWLI’s desire that the Company be the authorized provider of potable water service to and within Verano.

6. On April 1, 2016, Staff filed a Memorandum in which it states that it does not object to the Company's request for an extension of time, and recommends a 10-year extension of time for filing the ATC.

7. The delay in the development of Verano is not atypical of other developments in Arizona over the past few years. The developer remains committed to the Verano project and desires the Company to provide potable water service to that area. Under the circumstances, we believe that it is reasonable to grant a 10-year extension of time for the Company to file the ATC, as recommended by Staff.

CONCLUSIONS OF LAW

1. Red Rock Utilities, LLC is a public service corporation within the meaning of Article XV of the Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

2. The Commission has jurisdiction over Red Rock Utilities, LLC and the subject matter of the Motion.

3. An extension of time to comply with the requirements of Decision Nos. 70030, 71226, 72532, and 74392 as discussed herein, is fair and reasonable and in the public interest.

ORDER

IT IS THEREFORE ORDERED that the deadline for Red Rock Utilities, LLC to file the Approval to Construct, as required by Decision Nos. 70030, 71226, 72532, and 74392, is hereby extended until December 4, 2025.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____ 2016.

JODI JERICH
EXECUTIVE DIRECTOR

DISSENT _____

DISSENT _____
SMH:ru

SERVICE LIST FOR:

RED ROCK UTILITIES, LLC

DOCKET NO.

WS-04245A-07-0363

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